

State Training and Employment Program (STEP)

Department of Labor & Workforce Development– Program 5

I. PROGRAM OBJECTIVES

The purpose of the program is to reduce the current and future claims against unemployment benefits, foster new jobs due to the availability of a skilled labor force, and increase training opportunities to the state's workers to protect against fluctuations in the economy and to prepare for technological changes in the work place.

II. PROGRAM PROCEDURES

Funds for the program are appropriated from amounts the state collects in unemployment insurance contributions, and provided to the Alaska Human Resource Investment Council established under 29 USC 1532. The Council through the Department allocates funds to the Local Workforce Investment Boards (LWIB) established under the federal Workforce Investment Act. The administrative Agencies for the LWIBs are the Balance of State (BOS) and the Municipality of Anchorage (MOA). Funds are used to pay for services provided to individuals, grants to subrecipients to operate programs, and for goods and services provided by vendors.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES AS 23.15.620. State Training and Employment Program.

There is created in the department a program to finance and award grants to employment assistance and training entities. Employment assistance and training entities shall give appropriate state agencies full access to accounting records concerning grants received to assure compliance with program standards.

A. TYPES OF SERVICES ALLOWED AND UNALLOWED

Compliance Requirements

An entity receiving a grant under the program shall provide one or more program elements, including: industry specific training; on-the-job training; institutional or classroom job-linked training; support services, including allowances; employment assistance; relocation assistance; or, provisions of

necessary tools, work-related clothing, safety gear, or other necessities to obtain or retain employment.

No more than \$10,000 of State Training and Employment Program funds may be spent on any individual. 8 AAC 87.090

Costs must be reasonable and customary to achieve the purpose of the grant. 8 AAC 87.090

Administrative costs may not exceed the amount designated in the grant award as administrative costs.

Activities must not replace or compete in any way with a federally approved, jointly administered apprenticeship program or any other existing training programs. AS 23.15.651(a)(2)

An eligible participant may receive one or more services provided by the program. Participant assessment and follow-up must be included as part of a service under the program. 8 AAC 87.080

Suggested Audit Procedures

- Test financial and related records and determine the purposes for which funds were expended.
- Verify that administrative expenses were within the amount budgeted in the grant award as administrative costs.
- Verify participant assessment and follow-up is provided as a service.
- Verify program expenditures were not used where federal program dollars were available and appropriate.

B. ELIGIBILITY

Compliance Requirements

Each participant must be a state resident, as defined in AS 01.10.055 and services cannot be denied to any eligible Alaskan resident based upon their place of residency. 8 AAC 87.040

An individual is eligible for program services upon the completion of the determination of eligibility, which remains valid for 120 days from the date of completion or until the person is no longer eligible, whichever comes first. 8 AAC 87.050

An individual liable to be displaced must be certified by his or her employer and such certification must be obtained before services can be provided. 8 AAC 87.060

The entity receiving a grant shall provide services to the following individuals: 1) unemployed and receiving unemployment insurance (UI) benefits OR unemployed and have exhausted the right to UI within the past three years; or 2) employed, but liable to be displaced within the next six months because of: a) reductions in overall employment within a business; b) elimination of the worker's current job; or c) a change in conditions of employment requiring that, to remain employed, the employee must learn substantially different skills which the employee does not now possess; or 3) have worked in a position covered by AS 23.20 at any time during the last three years, and are not currently eligible for UI because: a) their employment has been seasonal, temporary, part-time or marginal; b) their qualifying wages are insufficient because of limited job opportunity; or, c) they are employed but, because they are under-employed, they are in need of employment assistance and training to obtain full employment.

Individuals eligible under this program, and with the following groups shall be targeted for program participation: current unemployment insurance claimants; women or minorities; persons responsible for court ordered child support payments; and persons who lack skills or whose skills have been outdated by technological change. 8 AAC 87.120

The Alaska Department of Labor & Workforce Development will provide a priority list to target any or all of the participants described in the target groups, above. 8 AAC 87.120

Eligible individuals who are employed at the time of application may receive services. Priority shall be given to those whose annual earned income is less than the Alaska annual average wage for the calendar year preceding application. 8 AAC 87.120

Suggested Audit Procedures

- Review and assess the grantee's procedures for verifying the eligibility of applicants.
- Review selected participant files and verify that eligibility determinations were appropriate.
- Review grantee's Participant Management Information Reports, Request for Proposals and the grant award and verify that reasonable efforts were made

to serve the priority groups established by State Statute and the Alaska Department of Labor & Workforce Development.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

There are no matching, level of effort or earmarking requirements.

D. REPORTING REQUIREMENTS

Compliance Requirement

Periodic performance and financial reports are required of the grantee and will be specified in the grant agreements.

Suggested Audit Procedures

- Examine copies of reports and determine completeness of submission.
- Trace data in selected reports to underlying documentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

Grantees must establish a separate fund and accounting codes for receipt and disbursement of grant funds. 8 AAC 87.150

The grant agreement may contain specific provisions to which the grantee must adhere.

Suggested Audit Procedure

- Review financial and related records to verify the establishment and adequate use of a separate fund and accounting codes.
- Review the grant agreement, identify any special provisions or requirements, and verify that they were met.

Modified 5/01